

Done in Washington, DC, this 9th day of October 1997.

Terry L. Medley,

Administrator, Animal and Plant Health Inspection Service.

[FR Doc. 97-27427 Filed 10-15-97; 8:45 am]

BILLING CODE 3410-34-P

NORTHEAST DAIRY COMPACT COMMISSION

7 CFR Chapter XIII

Compact Over-Order Price Regulation

AGENCY: Northeast Dairy Compact Commission.

ACTION: Notice of Meeting.

SUMMARY: The Compact Commission will hold its monthly meeting to consider whether to adopt a Final Rule extending the current over-order price regulation beyond its present December 31, 1997 deadline, and whether to amend the regulation, generally. The Commission will also review procedures relating to ongoing studies and consider matters of administration.

DATES: The meeting is scheduled for October 23, 1997, 9:00 a.m. to 4:00 p.m.

ADDRESS: The meeting will be held at the Grist Mill Restaurant, 520 South Street in Bow, NH.

FOR FURTHER INFORMATION CONTACT:

Daniel Smith, Executive Director, Northeast Dairy Compact Commission, 43 State Street, PO Box 1058, Montpelier, VT 05601. Telephone (802) 229-1941.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the Compact Commission will hold its regular monthly meeting. The Commission will consider whether to adopt a Final Rule extending the current over-order price regulation beyond its present December 31, 1997 deadline, and whether to amend the regulation, generally. See Proposed Rule, 62 FR 47156 (September 8, 1997). The Commission will also review procedures for conducting a study of regional dairy farm cost of production and a study for assessing the regional impact of over-order price regulation. The Commission will also consider certain matters relating to administration.

Daniel Smith,

Executive Director.

(Authority: (a) Article V, Section 11 of the Northeast Interstate Dairy Compact, and all other applicable Articles and Sections, as approved by Section 147, of the Federal Agriculture Improvement and Reform Act (FAIR ACT), Pub. L. 104-127, and as thereby set forth in S.J. Res. 28(1)(b) of the 104th Congress (codified at 7 U.S.C. 7256); Finding

of Compelling Public Interest by United States Department of Agriculture Secretary Dan Glickman, August 8, 1996 and March 20, 1997. (b) Bylaws of the Northeast Dairy Compact Commission, adopted November 21, 1996.)

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FEDERAL DEPOSIT INSURANCE CORPORATION

12 CFR Part 329

RIN 3064-AC13

Interest on Deposits

AGENCY: Federal Deposit Insurance Corporation.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Federal Deposit Insurance Corporation (FDIC) is proposing to amend its regulation entitled "Interest on Deposits." Section 18(g) of the Federal Deposit Insurance Act (FDI Act) requires that the FDIC by regulation prohibit the payment of interest or dividends on demand deposits in insured nonmember banks and in insured branches of foreign banks. This regulation implements this prohibition. The proposed rule provides as an exception to the prohibition, the payment of interest or other remuneration on any deposit which, if held by a member bank, would be allowable under 12 U.S.C. 371a and 461, or by regulation of the Board of Governors of the Federal Reserve System (FRB). This proposal is in accordance with the FDIC's review of its regulations under section 303 of the Riegle Community Development and Regulatory Improvement Act of 1994.

DATES: Written comments must be received by the FDIC on or before December 15, 1997.

ADDRESSES: Send written comments to Robert E. Feldman, Executive Secretary, Attention: Comments/OES, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429. Comments may be hand delivered to the guard station at the rear of the 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m. [Fax number: (202) 898-3838; Internet address: comments@fdic.gov]. Comments may be inspected and photocopied in the FDIC Public Information Center, Room 100, 801 17th Street, NW., Washington, DC 20429, between 9:00 a.m. and 4:30 p.m. on business days.

FOR FURTHER INFORMATION CONTACT: Marc Goldstrom, Counsel, Regulation and Legislation Section, Legal Division,

(202-898-8807); Louise Kotoshirodo, Review Examiner, Division of Compliance and Consumer Affairs, (202-942-3599).

SUPPLEMENTARY INFORMATION:

Background

Section 18(g) of the FDI Act provides that the Board of Directors of the FDIC shall by regulation prohibit the payment of interest or dividends on demand deposits in insured nonmember banks and in insured branches of foreign banks. (12 U.S.C. 1828(g)). Accordingly, the FDIC promulgated regulations prohibiting the payment of interest or dividends on demand deposits at 12 CFR part 329. Section 11 of the Banking Act of 1933 (12 U.S.C. 371a) prohibits member banks from paying interest on demand deposits and is implemented by Regulation Q, (12 CFR part 217) of the FRB.

Section 18(g) of the FDI Act also provides that the FDIC shall make such exceptions to this prohibition as are prescribed with respect to demand deposits in member banks by section 19 of the Federal Reserve Act, as amended, or by regulation of the FRB (12 U.S.C. 1828(g)). Generally, member banks, state nonmember banks and insured branches of foreign banks are subject to the same prohibition and exceptions to such prohibition, albeit under different statutes and regulations.

From time to time the FRB issues or authorizes a new exception to the prohibition applicable to member banks, and the FDIC later issues or authorizes a similar exception affecting state nonmember banks and insured branches of foreign banks. For example, the FRB recently amended its interpretation with respect to limitations on premiums given on demand deposits (62 FR 26736 (May 15, 1997)) and the FDIC later issued a similar interpretive rule affecting state nonmember banks and insured branches of foreign banks (62 FR 40731 (July 30, 1997)).

In the periods of time in which the FRB has issued or authorized an exception to the prohibition, but the FDIC has yet to act, state nonmember banks and insured branches of foreign banks faced a possible competitive disadvantage with respect to member banks. In order to eliminate the potential for any such competitive disadvantage in the future and in light of the FDIC's statutory mandate to make such exceptions to this prohibition as are prescribed with respect to demand deposits in member banks, the FDIC is proposing to create an omnibus exception to the prohibition on the payment of interest on demand